Abstract

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Alternative 'Recipes' for High and Low Levels of Life Satisfaction: Structural Equation Models of SOEP Longitudinal Data 1990-2016 & Innovation Sample Data 2015

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One size fits all?

In most previous empirical research on the determinants of Life Satisfaction (LS), there has been an assumption, usually unstated, that 'one size fits all'. That is, it has been assumed that the covariates and potential causes of high and low LS are the similar for everyone, or at least everyone in the Western world (Diener et al, 1999). Even the newer literature on LS in low and middle income countries appears to be based on the same assumption, except for recognition of the greater importance of income, health and governmental corruption (Helliwell, Layard & Sachs, 2012-17).

In this paper, using longitudinal data from the German Socio-Economic Panel (SOEP), supplemented by data from the SOEP Innovation Sample (2015), we investigate evidence of *alternative 'recipes' for high and low LS*. Specifically, we indicate that there appear to be *four distinct 'recipes'*, which are primarily based on the *values/life priorities* of different subsets of the population. These values/life priorities, measured in SOEP since 1990, are: altruistic/pro-social values, family values, materialistic (money and career) values, and religious values (Kluckhohn & Strodtbeck, 1961).

The evidence indicates that the 'recipes' which prioritise altruistic, family or religious values are linked to above average levels of long term LS, whereas the materialistic values 'recipe' is linked to below average LS. Individuals who regard all the listed values as relatively unimportant record exceptionally low levels of LS.

Partners An interesting finding is that individuals who prioritise altruistic values or family values record significantly higher domain satisfactions and LS if their spouse/partner shares the same values.

What is meant by a 'recipe' for happiness?

A 'recipe' is a conceptually and empirically linked set of values, behavioural choices and domain satisfactions which prove to have substantial effects on LS. For example, the altruistic 'recipe' involves giving high priority to altruistic, pro-social values and making the behavioural choices of engaging in volunteer work, attending community events, and meeting often with friends, relatives and neighbours to provide help/support as well as friendship. Altruistic values and behavioural choices are then linked to high levels of satisfaction with volunteering and with one's social life.

Data analysis

Using Stata's structural equation modelling software, we estimate models based on the causal and temporal sequence implied in Figure 1:

Figure 1: Assumptions about causal sequence in structural equation models[a]
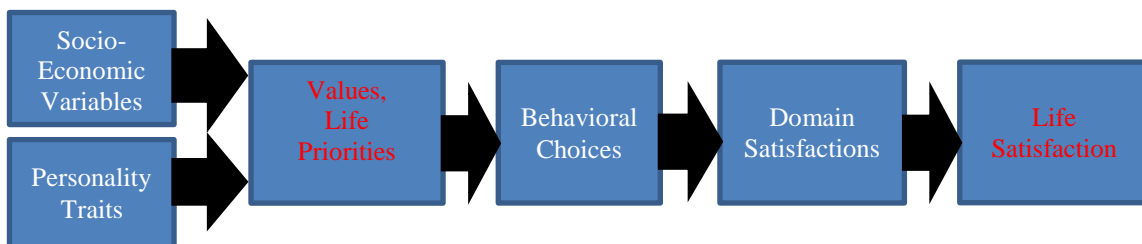
a. To avoid clutter, Figure 1 only shows arrows linking sets of variables adjacent to each other in the model. Some additional links (e.g. from personality traits to LS) are also estimated.

References

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Kluckhohn, F.R. & Strodtbeck, F.L. (1961) *Variations in Value Orientations.* Evanston, Illinois, Row, Peterson.